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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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DOGM
MINERALS PROGRAM
FILE COPY

July 18, 1990

Mr. Eric P. Swenson
P. O. Box 940
Monticello, Utah 84535

Dear Mr. Swenson:

Re: Happy Jack Site Reclamation Requirements, M/037/024, San Juan County, Utah

I would like to address, formally, the questions you have raised pursuant to our conversation on July 13, 1990, and your letter dated July 9, 1990.

As we discussed, the reclamation requirements are the same for unpatented ground as they are for patented. The Utah Mined Land Reclamation Act specifies that lands private, federal or state owned, will be reclaimed in the same fashion.

At this time, the Division still holds Atlas Minerals responsible for reclamation at this site since no other entity has assumed this responsibility from Atlas. San Rafael Energy, Incorporated, Mr. Beirschied's group, initiated the process of permit transfer, but has not yet filed a reclamation surety with us.

The mine permit currently encompasses approximately 10 acres of disturbance, most of which is on fee property. The Division will require that the area is reclaimed as per our original agreement with Atlas. Portions of the site which are pre-May, 1975, are exempt from reclamation requirements. This would include the bottom portion of the dumps and some of the disturbed area northwest of the main pad.

The operator or individual posting bond is ultimately responsible for reclamation. It is in the best interest of the bond holder to pass this responsibility on to the new title holder before the property is sold. Reclamation can be ordered by the Division 2 years after inactivity commences.

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The area is located in a dry, sparsely vegetated section of the state, making revegetation difficult. However, the Division will still require that reclamation efforts are made, which would include: sealing portals, removal of trash and debris, recontouring and scarification of the area and seeding.

Please find enclosed, a copy of our rules to help you in answering some of these questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Holland Shepherd", written in a cursive style.

Holland Shepherd
Reclamation Specialist

jb
Enclosure
WMN.2/1-2